

CHAIRMAN OF THE BOARDS

**Mutual
OF OMAHA**

D. D. ULFERS, PRESIDENT



**United
OF OMAHA**

GALE E. DAVIS, PRESIDENT



HOME OFFICE... OMAHA, NEBRASKA

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T. W. PREMO, Benefits Mgr.

February 21, 1968

STAT

Government Employees Health Association
P. O. Box 463
Washington, D. C.

Re: Your February 16, 1968 letter
in which you requested the
rates of hospitals in the
different metropolitan areas.
Please find attached.

Dear Leonard:

This is similar to the information I sent you on June 14, 1967.

Sincerely,

T. W. Premo, Manager
Claims Department

TWP:pg

Enclosures

STAT

MUTUAL OF OMAHA INSURANCE COMPANY • UNITED BENEFIT LIFE INSURANCE COMPANY

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26 FEB 1968

NOTE TO : DC/BSD

I would like to submit this proposal to the Board within the next few weeks. Please draft a paper that would have a short summary of what this program is and what it is intended to do. Include on the paper the rates. After review, we will have enough cut for circulation to each Board member.



STAT



A PROPOSED GROUP INSURANCE PROGRAM

prepared for:

GOVERNMENT EMPLOYEES
HEALTH ASSOCIATION

by: UNITED BENEFIT LIFE INSURANCE COMPANY

HOME OFFICE — OMAHA, NEBRASKA

United Benefit Life Insurance Company ranks among the top 3% of all life insurance companies.

The reason for this successful growth is service. To provide this service, United has a network of strategically located group offices staffed with trained and experienced group representatives. In addition, United Benefit Life Insurance Company offers its policyholders the services of expert underwriting, administrative and actuarial personnel necessary to the proper functioning of sound Group Insurance and Pension Programs. Long noted for prompt claim payments, United has pioneered the field of claim research service to help stabilize the policyholder's premium dollar through study and analysis of claims and medical cost trends.

The strength and stability of this Company is reflected in the annual statement for the year ending December 31, 1966.

ASSETS

	1966
Cash	\$ 1,556,919
Bonds	227,749,200
Stocks	66,962,851
Real Estate	16,067,409
Mortgage Loans	183,804,160
Policy Loans	35,214,912
Premiums in Course of Collection	15,386,068
Other Assets	6,116,673
TOTAL	<u>\$552,858,192</u>

LIABILITIES

Reserves for Claims	\$ 5,233,607
Policy Reserves	450,082,039
Reserves for Taxes	3,556,571
Reserves for Security Valuation	14,764,782
Other Liabilities	4,574,464
TOTAL LIABILITIES	<u>\$478,211,463</u>
Surplus to Protect Policyholders	74,646,729
TOTAL	<u>\$552,858,192</u>

SECURITY IS OUR BUSINESS

GOVERNMENT EMPLOYEES

HEALTH ASSOCIATION

Group Hospital Indemnity Plan

BENEFITS

In-Hospital

The plan provides a daily benefit of \$20 for up to 365 days of hospital confinement for each accident or sickness.

	Plan I	Plan II
Maximum Days	30	365

Confinements separated by less than three months for the same or related conditions will be considered as continuations of the same confinement.

ELIGIBILITY PROVISIONS

All paid-up members of G.E.H.A. under age 60 are eligible to enroll in the group plan upon submitting satisfactory evidence of insurability.

The plan will become effective on the first of the month after 400 members have applied for coverage and have submitted satisfactory evidence of insurability.

TERMINATIONS

The coverage will terminate on the date the insured attains age 65 or the date he becomes eligible for Medicare, whichever is the earlier.

The coverage will not extend beyond the date to which the member's dues are paid.

The coverage will terminate on the date the master policy terminates.

EXCLUSIONS AND LIMITATIONS

The plan does not cover losses resulting from: (1) declared or undeclared war or act of war; (2) service in the armed forces of any country; (3) acts of intentional self-destruction or attempted suicide while sane or insane; (4) pregnancy (including childbirth or resulting complications); (5) confinement in any institution primarily operated as a home for the aged or engaged in the care of drug addicts or alcoholics; (6) confinement in any institution operated by the U.S. Government, a state, country, or municipal government, unless a charge is made by such a hospital which the member is legally required to pay.

ADMINISTRATION

The policyholder will handle all administrative procedures including initial underwriting, premium collection, and pay all claims.

SEMI-ANNUAL PREMIUMS

Member	Plan I	Plan II
Under Age 40	\$ 8.00	\$ 9.00
40 through 49	12.00	13.00
50 through 64	18.50	21.00

Plan I

NAME G.E.H.A. HOSPITAL INDEMNITYRETENTION EXHIBIT

Health	Net Annual Premium	Incurred Claims	EE Lives	1,000	Administration:	Commissions:
Total	<u>\$156,500</u>	<u>\$109,550</u>			IBM Cards	10 Yr. Level
	<u>\$156,500</u>	<u>\$109,550</u>			Initial Certs	
					Renewal Certs	
					Benefits	
					<u>Self-Administration</u>	
					<u>Self-Administration</u>	
					<u>Self-Administration</u>	
					<u>Self-Administration</u>	

Year	Net Annual Premium	Incurred Claims	Retention	Refund	Agent Commission	Taxes	Administrative Expense	Amortization of Acquisition	Risk Charge
1	\$156,500	\$109,550	\$12,733 8.14%	\$34,217 21.86%	\$2,169	\$2,445	\$4,403	\$1,368	\$2,348
2	156,500	109,550	12,729 8.13	34,221 21.87	2,169	2,445	4,403	1,364	2,348
3	156,500	109,550	11,930 7.62	35,020 22.38	2,169	2,429	4,403	1,364	1,565
4	156,500	109,550	11,930 7.62	35,020 22.38	2,169	2,429	4,403	1,364	1,565
5	156,500	109,550	11,930 7.62	35,020 22.38	2,169	2,429	4,403	1,364	1,565
6	156,500	109,550	10,538 6.73	36,412 23.27	2,169	2,401	4,403	-	1,565
7	156,500	109,550	10,538 6.73	36,412 23.27	2,169	2,401	4,403	-	1,565
8	156,500	109,550	10,538 6.73	36,412 23.27	2,169	2,401	4,403	-	1,565
9	156,500	109,550	10,538 6.73	36,412 23.27	2,169	2,401	4,403	-	1,565
10	156,500	109,550	10,538 6.73	36,412 23.27	2,169	2,401	4,403	-	1,565
10 Yr. Avg.	156,500	109,550	11,394 7.28	35,556 22.72	2,169	2,418	4,403	682	1,722

Plan II

NAME G.E.H.A. HOSPITAL INDEMNITYRETENTION EXHIBIT

Health	Net Annual Premium	Incurred Claims	EE Lives	2,000	Administration:		Commissions:
Total	<u>\$313,000</u>	<u>\$219,100</u>			IBM Cards	<u>Self-Administration</u>	10 Yr. Level
					Initial Certs	<u>Self-Administration</u>	
					Renewal Certs	<u>Self-Administration</u>	
					Benefits	<u>Self-Administration</u>	

Year	Net Annual Premium	Incurred Claims	Retention	Refund	Agent Commissions	Taxes	Administrative Expense	Amortization of Acquisition	Risk Charge
1	\$313,000	\$219,100	\$18,998 6.07%	\$74,902 23.93%	\$2,755	\$4,760	\$5,879	\$1,692	\$3,912
2	313,000	219,100	18,998 6.07	74,902 23.93	2,755	4,760	5,879	1,692	3,912
3	313,000	219,100	18,200 5.81	75,700 24.19	2,755	4,744	5,879	1,692	3,130
4	313,000	219,100	18,200 5.81	75,700 24.19	2,755	4,744	5,879	1,692	3,130
5	313,000	219,100	18,200 5.81	75,700 24.19	2,755	4,744	5,879	1,692	3,130
6	313,000	219,100	16,474 5.26	77,426 24.74	2,755	4,710	5,879	-	3,130
7	313,000	219,100	16,474 5.26	77,426 24.74	2,755	4,710	5,879	-	3,130
8	313,000	219,100	16,474 5.26	77,426 24.74	2,755	4,710	5,879	-	3,130
9	313,000	219,100	16,474 5.26	77,426 24.74	2,755	4,710	5,879	-	3,130
10	313,000	219,100	16,474 5.26	77,426 24.74	2,755	4,710	5,879	-	3,130
10 Yr. Avg.	313,000	219,100	17,497 5.59	76,403 24.41	2,755	4,731	5,879	846	3,286

NAME G.E.H.A. HOSPITAL INDEMNITYRETENTION EXHIBIT

Health	Net Annual Premiums	Incurred Claims	EE Lives	3,000	Administration:	Self-Administration	Commissions:
Total	\$469,500	\$328,650			IBM Cards	Self-Administration	10 Yr. Level
	\$469,500	\$328,650			Initial Certs	Self-Administration	
					Renewal Certs	Self-Administration	
					Benefits	Self-Administration	

	Net Annual Premiums	Incurred Claims	Retention	Refund	Agent Commission	Taxes	Administrative Expense	Amortization of Acquisition	Risk Charge
Year 1	\$469,500	\$328,650	\$24,073 5.13%	\$116,777 24.87%	\$2,935	\$7,052	\$6,525	\$1,692	\$5,869
2	469,500	328,650	24,073 5.13	116,777 24.87	2,935	7,052	6,525	1,692	5,869
3	469,500	328,650	22,875 4.87	117,975 25.13	2,935	7,028	6,525	1,692	4,695
4	469,500	328,650	22,875 4.87	117,975 25.13	2,935	7,028	6,525	1,692	4,695
5	469,500	328,650	22,875 4.87	117,975 25.13	2,935	7,028	6,525	1,692	4,695
6	469,500	328,650	21,148 4.50	119,702 25.50	2,935	6,993	6,525	-	4,695
7	469,500	328,650	21,148 4.50	119,702 25.50	2,935	6,993	6,525	-	4,695
8	469,500	328,650	21,148 4.50	119,702 25.50	2,935	6,993	6,525	-	4,695
9	469,500	328,650	21,148 4.50	119,702 25.50	2,935	6,993	6,525	-	4,695
10	469,500	328,650	21,148 4.50	119,702 25.50	2,935	6,993	6,525	-	4,695
10 Yr. Avg.	469,500	328,650	22,251 4.74	118,599 25.26	2,935	7,015	6,525	846	4,930